

Francis Preston Blair to Andrew Jackson, December 23, 1838, from Correspondence of Andrew Jackson. Edited by John Spencer Bassett.

FRANCIS P. BLAIR TO JACKSON.

Washington, December 23, 1838.

. . . . The Globe of last night contains a pretty full account of the Swartwout business, in the Solicitors and Comptrollers letters. And you will see a full Synopsis of the Bill introduced to meet, for the future, all similar attempts of Banks or Officers to defraud the Treasury. Price,¹ there is no doubt, participated in all Swartwouts frauds and has run off, rather than face the exposure before a Committee. I understand that the families of these two worthies will join them in Europe and I suppose, after awhile, they will make their homes in Texas, claiming Sympathy in that quarter under the pretext that their speculations there, which tempted them to drain the Treasury of its money, was patriotism for the Country in which they will claim refuge. I have very little doubt, that the direct subtractions from the Revenues by the Collector form the least part of the public loss by him. The present Collector has discovered immense frauds perpetrated by the merchants themselves under Swartwouts reign and attempted since. False invoices, were largely used, to smuggle in immense amounts of goods duty free. The merchants had the subordinates in their pay, to wink at their foul practices and I doubt not now, Swartwout himself had strong *soporifics* administered to shut his eyes on the merchants frauds. You know how popular he was with them. I was never so deceived as I was in Swartwout and Price. I thought the latter especially might have been entrusted with the world and all that inherits and that his *honor* would have been a sufficient guarranty for perfect fidelity. But no man can estimate the force of money-temptation in New York, who has not a

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knowledge of the City luxury and corruption, which resolves every thing for which a man should live into money.

1 William M. Price, U. S. attorney for the southern district of New York.

I think upon the whole, however, that the New York defalcation will work for good. You will see an abstract of the Constitutional Treasury Bill, in the same Globe, which exposes the frauds in the Solicitors Report. You will perceive in the first letter that the defalcation began in the Banks collecting the Bonds and putting the proceeds to the individual account of Swartwout, and that by depositing and sending on his weekly statement made up on Saturday with *the Bank Acct.* he was enabled to keep on hand Saturdays and Sundays receipts, both being concealed by the way of his settling his deposite acct. at the Banks. He had always two days revenue as a sort of surplus to turn over from week to week unaccounted for. This was a fraud which depositing with Banks alone made practicable. So that you see this great defalcation had its origin and temptation in the facilities the Banks afforded for concealment. I have no doubt, therefore, as this new loss as well as that suffered from the Suspension can be brought home directly to the Banks that their advocates in congress will be forced to consent to some Bill, like that introduced by the Committee. If they refuse to consent to any thing and throw the Revenues into the hands of the Executive without check, and go before the people against the Bill made as palatable as possible, to concentrate all the honest Democratic Strength, it will in the elections, insure us a more absolute triumph. I care not, then, how they toss our president at this session. He will light upon his feet in taking the final position. You remember Jack Downing² said that on your New England tour, Mr. Van Buren was thrown by the crowd over a fence into a cabbage patch, but most gracefully and bouyantly came down upon his feet and serenely bowed to his friends, as if nothing had happened. I think he will come out of this war of the 800 Banks, in the same dextrous way.

2 Letters of Charles Augustus Davis written under the pseudonym of "Major Jack Downing" to the New York *Daily Advertiser*.

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Rives you will perceive, after long hesitating and balancing between parties and coquetting with Clay, has at last thrown himself into arms of the Old Debauchee. The Virginia election for Senator coming on soon, he was obliged to surrender himself unconditionally and bodily to Whiggery and in its prostituting embraces all he had of virtue must be deflowered. The poor little creature had hung off so long and his fate in Virga. was so immediately impending, that he was obliged to make an occasion, to run right into the arms of the seducer, when in fact, the latter seemed to care very little about him. I was in the senate and was diverted to see Clays indifference. You remember when Rives first made his approaches, with what cordial satisfaction Clay went over to him, congratulated and saluted him. On the late occasion, when Rives took the lead, sword in hand against the President and his party, Clay sent his man Crittenden forward to pat him on the back and to give him a sort of second hand welcome. In truth when our old friend Niles, gave him such an unmerciful switching, with his breeches down, both Clay and Crittenden, with all their effort, could not conceal their mirth at Rives' writhing. You must read Niles' remarks, replying to Rives. I think it was in Friday nights Globe. It was well reported. Do look it up and read it. . . .